REMARKS

Claims 1 and 3-6 stand rejected under 35 USC §103(a) as being unpatentable over Kaltner in view of Baitz. Applicant has amended claims 1 and 3-6 to further distinguish claims 1-8 over the cited references.

Kaltner teaches a checkout device which combines a security label sensing and deactivation system into a barcode reader. Barcode reading and security label deactivation are accomplished during a single scanning motion over the barcode reader.

In claims 1-8, the barcode reader and the security label sensing and deactivation system are separate devices requiring movement of an item from the barcode reader to the security label sensing and deactivation system.

In claims 5 and 6, barcode reading and security label sensing and deactivation are separate steps requiring movement of an item from the barcode reader to the security label sensing and deactivation system.

Kaltner teaches away from separate barcode reader and security label systems. Kaltner teaches away from separate barcode reading and security label deactivation steps. (Col.

2, Line 51 - Col. 3, Line 36.) One skilled in the art would be motivated against combining a display for reminding a customer to place an item over a security label sensing and deactivation system following reading of a barcode label on the item.

Claim 2 stands rejected under 35 USC §103(a) as being unpatentable over Kaltner in view of Baitz and Larson.

Applicant is relying on the arguments in support of claim 1 to support the patentability of claim 2.

In view of the foregoing remarks, Applicant respectfully submits that claims 1-8 are in condition for allowance. Action to that end is hereby solicited.

Paul W. Martin

Reg. No. 34870

(937) 445-2990

Dayton, OH

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Marked up version of amended claims

- (amended) A checkout system comprising:
- a computer;
- a barcode reader coupled to the computer for reading a barcode label on an item; and
- a security system separate from and adjacent to the barcode reader and coupled to the computer and activated by the barcode reader following reading of the barcode label including
- a field generator for deactivating a security label on the item; and
- a sensor for sensing placement of the item within range of the field generator;

wherein the security system initiates display of a message following the reading of the barcode label instructing an operator to place the item within a deactivation range of the field generator until the sensor senses the placement.

- 3. (amended) A checkout system convertible between assisted-service and self-service checkout operation comprising:
 - a computer;
- a barcode reader coupled to the computer for reading a barcode label on an item; and
 - a security system separate from and adjacent to the

barcode reader and coupled to the computer and activated by the barcode reader following reading of the barcode label including

a field generator for deactivating a security label on the item; and

a pop-up housing <u>vertically</u> moveable between a raised position for self-service checkout operation and a recessed position for assisted-service checkout operation;

wherein the pop-up housing contains a sensor for sensing placement of the item within a deactivation range of the field generator during self-service checkout operation; and

wherein the security system initiates display of a message <u>following</u> the reading of the barcode label instructing a self-service customer to place the item within the deactivation range of the field generator until the sensor senses the placement during self-service checkout operation.

4. (amended) A product security system comprising: a field generator for deactivating a security label on an item; and

a pop-up housing opposite a customer side of the field generator and moveable between a raised position for self-service checkout operation and a recessed position for assisted-service checkout operation;

wherein the pop-up housing contains a sensor for '

sensing placement of the item within a deactivation range of the field generator <u>following reading of barcode label</u> during self-service checkout operation; and

wherein the security system initiates display of a message following reading of a barcode label on the item instructing a self-service customer to place the item within the deactivation range of the field generator until the sensor senses the placement during self-service checkout operation.

5. (amended) A transaction method comprising the steps of:

reading a barcode label on an item by a barcode reader; obtaining barcode information from the barcode reader by a computer;

activating a field generator separate from and adjacent to the barcode reader for deactivating a security label on the item by the computer;

determining whether the item comes within a deactivation range of the field generator by the computer; and

if the item does not come within the deactivation range, initiating display of a message instructing an operator to place the item within the deactivation range of the field generator.

6. (amended) A transaction method comprising the

steps of:

positioning a sensor separate from and adjacent to a barcode reader to identify an item within a deactivation range of a field generator separate from and adjacent to the barcode reader;

reading a barcode label on the item by [a] the barcode reader;

obtaining barcode information from the barcode reader by a computer;

activating the field generator to deactivate a security label on the item by the computer;

determining from the sensor whether the item comes within the deactivation range of the field generator by the computer; and

if the item does not come within the deactivation range, initiating display of a message instructing an operator to place the item within the deactivation range of the field generator.

